

STATE OF SOUTH CAROLINA

(Caption of Case)

Election of Piedmont Natural Gas Company, Inc.
for Application of the Natural Gas Rate Stabilization
Act to its Rates and Charges

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2005 - 125 - G

(Please type or print)

Submitted by: Scott Tyler

SC Bar Number: 12037

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Other: _____

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☒ Other: Comments of Piedmont Natural Gas Company, Inc.

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input checked="" type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

Moore&VanAllen

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Suite 4700
100 North Tryon Street
Charlotte, NC 28202-4003

September 14, 2007

VIA UPS OVERNIGHT

Mr. Charles Terreni
Chief Clerk Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Docket No. 2005-125-G: Notice of Election of Piedmont Natural Gas Company, Inc. for Application of the Natural Gas Rate Stabilization Act to its Rates and Charges

Dear Mr. Terreni:

Enclosed please find an original and one copy of the *Comments of Piedmont Natural Gas Company, Inc.* in the docket shown above. The attached is an exact duplicate, with the exception of the form of the signature, of the e-filed copy submitted to the Commission in accordance with its electronic filing instructions.

Thank you for your assistance with this matter. If you have any questions about this filing you may reach me at the number shown above.

Sincerely,

s/ James H. Jeffries IV

James H. Jeffries IV

Enclosures

c: All Parties of Record

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2005-125-G

In the Matter Of

Election of Piedmont Natural Gas
Company, Inc. for Application of
The Natural Gas Rate Stabilization
Act to Its Rates and Charges

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**COMMENTS OF
PIEDMONT NATURAL GAS
COMPANY, INC.**

Piedmont Natural Gas Company, Inc. ("Piedmont"), pursuant to Section 58-5-455(4) of the S.C. Code of Laws, hereby submits the following written comments on the *Report of Office of Regulatory Staff Review of Piedmont Natural Gas Company, Inc.'s Monitoring Report* ("ORS Audit") prepared and filed in this proceeding by the Office of Regulatory Staff ("ORS") on September 1, 2007.

Piedmont has carefully reviewed the September 1, 2007 ORS Audit and the proposed adjustments to Piedmont's June 15, 2007 Quarterly Monitoring Report contained therein and consistent with the Settlement Agreement filed in this docket on September 1, 2007, Piedmont hereby advises the Commission that Piedmont has no objection to or comments on the findings and adjustments reflected in the ORS Audit. Piedmont further confirms its agreement, as part of an overall settlement with the ORS, to implement rates beginning with the first billing cycle of November, 2007 based upon the ORS audit results and a return on equity of 11.2% in lieu of the existing approved rate of return on equity adopted in Piedmont's last general rate case.

Revised rates and charges incorporating the ORS Audit adjustments and reflecting a rate of return on equity of 11.2% are attached hereto as Exhibit A.

Respectfully submitted this 14th day of September, 2007.

PIEDMONT NATURAL GAS COMPANY, INC.

s/ James H. Jeffries IV
James H. Jeffries IV

OF COUNSEL:
Moore & Van Allen PLLC
Suite 4700
100 North Tryon Street
Charlotte, North Carolina 28202-4003
T: (704) 331-1079
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EXHIBIT A

PIEDMONT NATURAL GAS COMPANY, INC.
PROPOSED REVENUE CALCULATIONS
2007 SC RSA

(dekatherms)	Proposed	Proposed
Rate Schedule	Rate	Revenue
Residential Service - Value 201		
Bills - Winter	\$ 10.00	\$ 2,522,280
Bills - Summer	\$ 8.00	\$ 2,857,432
DTs - Winter	13.0550	36,551,828
DTs - Summer	12.5705	13,323,261
Residential Service - Standard 221		
Bills - Winter	\$ 10.00	\$ 3,221,170
Bills - Summer	\$ 8.00	\$ 3,387,688
DTs - Winter	14.9936	40,159,473
DTs - Summer	14.9355	9,461,445
TOTAL RESIDENTIAL		\$111,484,577
Small General Service - Standard 202		
Bills	\$ 22.00	2,656,962
DTs - Winter	14.0248	23,893,175
DTs - Summer	13.6744	5,243,901
Small General Service - Value 232		
Bills	\$ 22.00	1,015,916
First 200	13.4392	13,377,151
Over 200	13.1436	3,410,256
DTs - Winter		
First 200	12.4756	13,056,791
Over 200	12.2053	996,307
DTs - Summer		
Medium General Service - Standard 252		
Bills	\$ 75.00	18,975
DTs - Winter	13.9175	1,955,256
DTs - Summer	13.4216	622,488
Medium General Service - Value 262		
Bills	\$ 75.00	83,100
First 500	13.1333	2,601,748
Over 500	12.7838	3,021,662
DTs - Winter		
First 500	12.1849	3,183,292
Over 500	11.9385	2,309,054
DTs - Summer		
Small General Service - Motor Fuel 242		
Bills	\$ 22.00	528
DTs - Winter	10.8849	12,115
DTs - Summer	10.9588	18,374
TOTAL COMMERCIAL		\$77,477,049

PIEDMONT NATURAL GAS COMPANY, INC.
PROPOSED REVENUE CALCULATIONS
2007 SC RSA

(dekatherms)	Proposed	Proposed
Rate Schedule	Rate	Revenue

Large General Service - Sales 203

Bills	\$	250.00	30,750
Demand DT'S	\$	19.00	438,079
First 1,500		11.2679	701,003
Next 1,500		10.5724	412,295
Next 7,500		10.0943	268,554
Next 16,500		9.5225	-
Next 33,000		8.9693	-
<u>Over 60,000</u>		8.6836	-
DTs - Winter			
First 1,500		10.3916	880,186
Next 1,500		9.9073	394,285
Next 7,500		9.7307	90,736
Next 16,500		9.3368	-
Next 33,000		8.9193	-
<u>Over 60,000</u>		8.6836	-
DTs - Summer			

Large General Service - Transportation 213

Bills	\$	250.00	127,750
Demand DT'S	\$	6.00	549,367
Standby DT's	\$	13.00	0
First 1,500		2.5629	747,875
Next 1,500		1.9003	411,398
Next 7,500		1.4306	307,048
Next 16,500		1.0225	(14,376)
Next 33,000		0.4693	-
<u>Over 60,000</u>		0.1836	(147,171)
DTs - Winter			
First 1,500		1.8374	726,517
Next 1,500		1.3587	354,389
Next 7,500		1.0775	233,234
Next 16,500		0.8092	13,352
Next 33,000		0.4193	1,258
<u>Over 60,000</u>		0.1836	148,016
DTs - Summer			

PIEDMONT NATURAL GAS COMPANY, INC.
PROPOSED REVENUE CALCULATIONS
2007 SC RSA

(dekatherms)	Proposed	Proposed
Rate Schedule	Rate	Revenue

Interruptible Service - Sales 204

Bills	\$	250.00	63,500
First 1,500		11.8977	1,440,639
Next 1,500		11.2153	1,044,476
Next 7,500		10.7746	1,003,950
Next 16,500		10.0530	748,889
Next 33,000		9.9537	27,850
<u>Over 60,000</u>		9.0836	-
DTs - Winter			
First 1,500		10.5078	1,781,303
Next 1,500		10.0288	1,018,983
Next 7,500		9.7418	926,834
Next 16,500		9.4359	352,428
Next 33,000		9.0693	-
<u>Over 60,000</u>		8.7836	-
DTs - Summer			

Interruptible Service - Transportation 214

Bills	\$	250.00	168,000
First 1,500		2.5616	1,000,731
Next 1,500		1.8984	633,013
Next 7,500		1.4216	928,490
Next 16,500		0.9447	269,544
Next 33,000		0.4740	11,281
<u>Over 60,000</u>		0.1836	2,308
DTs - Winter			
First 1,500		1.8339	1,033,043
Next 1,500		1.3532	614,974
Next 7,500		1.0597	858,820
Next 16,500		0.7640	216,077
Next 33,000		0.6228	588
<u>Over 60,000</u>		0.1836	-
DTs - Summer			

TOTAL INDUSTRIAL **\$20,820,265**

Outdoor Gaslight Service - Rate 205

Fixtures	15.0000	720
DTs - Winter		
DTs - Summer		

Annual Revenues From Special Contracts **3,999,321**

ANNUAL TOTAL **\$213,781,932**

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.* is being served this date via UPS Overnight upon:

Jeffrey M. Nelson
C. Lessie Hammonds
Office of Regulatory Staff
1441 Main Street
Suite 300
Columbia, South Carolina 29201
(5 copies)

Scott Elliott
Elliott & Elliott, PA
721 Olive Street
Columbia, South Carolina 29205

And that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.* is being served this date via U.S. Mail upon:

Jane Lewis-Raymond
Vice President & General Counsel
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233

David Carpenter
Managing Director Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233

This the 14th day of September, 2007.

s/ James H. Jeffries IV
James H. Jeffries IV